

INFORMATIONAL LETTER NO. 2158-MC-FFS

DATE: August 13, 2020

TO: Iowa Medicaid Physicians, Dentists, Advanced Registered Nurse Practitioners, Therapeutically Certified Optometrists, Podiatrists, Pharmacies, Home Health Agencies, Rural Health Clinics, Clinics, Skilled Nursing Facilities, Intermediate Care Facilities, Nursing Facilities-Mental ILL, Federally Qualified Health Centers (FQHC), Indian Health Service, Maternal Health Centers, Certified Nurse Midwife, Community Mental Health, Family Planning, Residential Care Facilities, ICF/ID State and Community Based ICF/ID Providers, and Physician Assistants

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: September 2020 Iowa Medicaid Pharmacy Program Changes

EFFECTIVE: September 1, 2020

[Informational Letter No. 2118-MC-FFS](#) relayed the delay in pharmacy program changes scheduled to be effective March 18, 2020. Following approval of Iowa Administrative Code changes as noted below, the effective date of the changes is now September 1, 2020.

- 1. Dispensing Fee for Maintenance Drugs:** A one-time professional dispensing fee will be reimbursed per one-month or three-month period, accounting for the refill tolerance of 90% consumption, per member, per drug, per strength, billed per provider for maintenance drugs as identified by MediSpan and maintenance nonprescription drugs. IAC 441 Chapter 78.1(8) has been amended to reflect this change.
 - a. The pharmacy should verify the days' supply submitted corresponds accurately with the amount dispensed.
 - b. The pharmacy may bill according to its existing process (ex. less than a month's supply) or may accumulate the billing to once a month. However, a dispensing fee will only be reimbursed once a month for maintenance drugs.
 - c. Example: Prepacked drugs in less than a 30-day supply (ex. oral contraceptives). The programming takes into account the monthly package size in allowing payment of a dispensing fee in accordance with the refill tolerance of 90% consumption. A dispensing fee would be allowed on a 28-day oral contraceptive when the refill is allowed on the 25th day.

2. **Quantity Prescribed:** Prescribers are reminded that when it is not therapeutically contraindicated, they should prescribe a quantity not less than a one-month supply of covered prescription and nonprescription medication. Contraceptives may be prescribed in three-month quantities. IAC 441 Chapter 78.2(6) has been amended to clarify this requirement.
3. **Unit-Dose Packaging Credits:** Pharmacies are reminded that consistent with [Informational Letter No. 497](#) and the Prescribed Drugs Provider Manual, payment may be made only for unit-dose-packaged drugs that are consumed by the patient. Any previous charges for unused unit-dose packages returned to the pharmacy must be credited to the Medicaid program, consistent with return of drug requirements under IAC 657 – [Chapter 22.1](#).¹
4. **Medication Assisted Treatment (MAT):** To comply with [House File \(H.F.\) 623](#)², Iowa Administrative Code (IAC) 441 Chapters 78.1, 78.2 and 78.28 have been amended to limit the allowance of prior authorization (PA) for MAT under the pharmacy and medical benefits. The following pharmacy benefit changes were implemented effective [February 1, 2020](#)³.

We encourage providers to go to the [PDL website](#)⁴ to view all recent changes to the PDL. If you have questions, please contact the Pharmacy Prior Authorization Helpdesk at 877-776-1567 or 515-256-4607 (local in Des Moines) or e-mail info@iowamedicaidpdl.com.

¹ <https://www.legis.iowa.gov/docs/iac/rule/08-29-2018.657.22.1.pdf>

² <https://www.legis.iowa.gov/legislation/BillBook?ga=88&ba=HF623>

³ https://dhs.iowa.gov/sites/default/files/2092-MC-FFS_Iowa_Medicaid_Pharmacy_Program_Changes_Feb2020.pdf?012820201715

⁴ <http://www.iowamedicaidpdl.com/>